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22 *Digital Management LLC*

23 UNITED STATES DISTRICT COURT
24 FOR THE NORTHERN DISTRICT OF CALIFORNIA

25 ANDREW SAMUELS, on behalf of himself and all
26 others similarly situated,

27 Plaintiff,

28 -against-

LIDO DAO, a general partnership; AH CAPITAL
MANAGEMENT, LLC; PARADIGM OPERATIONS
LP; DRAGONFLY DIGITAL MANAGEMENT LLC

Defendants.

Case No. 3:23-cv-6492-VC

**DEFENDANT DRAGONFLY
DIGITAL MANAGEMENT
LLC'S ANSWER AND
CONDITIONAL
COUNTERCLAIMS**

1 Defendant Dragonfly Digital Management LLC (“Dragonfly”)¹ responds to the First
2 Amended Complaint, dated April 3, 2024 (ECF No. 54, the “Amended Complaint”) of Plaintiff
3 Andrew Samuels. Dragonfly responds to the Amended Complaint subject to and without waiving
4 defenses. Dragonfly denies the factual allegations and characterizations in the Amended Complaint
5 except as expressly admitted herein.

6 1. Denies knowledge or information sufficient to form a belief as to the truth of the
7 allegations in Paragraph 1 of the Amended Complaint.

8 2. Denies knowledge or information sufficient to form a belief as to the truth of the
9 allegations in Paragraph 2 of the Amended Complaint.

10 3. Denies knowledge or information sufficient to form a belief as to the truth of the
11 allegations in Paragraph 3 of the Amended Complaint.

12 4. States that to the extent the allegations in Paragraph 4 of the Amended Complaint
13 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

14 5. States that to the extent the allegations in Paragraph 5 of the Amended Complaint
15 set forth a legal conclusion, no response is required. Otherwise denies the allegations in the first
16 and second sentences of Paragraph 5 of the Amended Complaint, denies knowledge or information
17 sufficient to form a belief as to the truth of the allegations in the third sentence of Paragraph 5 of
18 the Amended Complaint, and admits the allegation in the fourth sentence of Paragraph 5 of the
19 Amended Complaint that the individuals listed in the third sentence of Paragraph 5 of the Amended
20 Complaint are not named as Defendants.

21 6. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 6 of the Amended Complaint.

23 7. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in Paragraph 7 of the Amended Complaint.

25 8. Denies the allegations in the first three sentences of Paragraph 8 of the Amended
26 Complaint. In response to the allegations in the fourth sentence of Paragraph 8 of the Amended

27 ¹ The Amended Complaint uses the term “Dragonfly” throughout but never defines it. This Answer assumes
28 that references in the Amended Complaint to “Dragonfly” are to “Dragonfly Digital Management LLC.”

1 Complaint, respectfully refers the Court to the statement referred to therein for its true and correct
2 contents and otherwise denies knowledge or information sufficient to form a belief as to the truth
3 of the allegations.

4 9. Denies knowledge or information sufficient to form a belief as to the truth of the
5 allegations in Paragraph 9 of the Amended Complaint.

6 10. Denies knowledge or information sufficient to form a belief as to the truth of the
7 allegations in Paragraph 10 of the Amended Complaint.

8 11. States that to the extent the allegations in Paragraph 11 of the Amended Complaint
9 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

10 12. States that to the extent the allegations in Paragraph 12 of the Amended Complaint
11 set forth a legal conclusion, no response is required. Admits that Dragonfly has headquarters in
12 California. Otherwise denies knowledge or information sufficient to form a belief as to the truth
13 of the allegations in Paragraph 12 of the Amended Complaint.

14 13. States that to the extent the allegations in Paragraph 13 of the Amended Complaint
15 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
16 sufficient to form a belief as to the truth of the allegations in Paragraph 13 of the Amended
17 Complaint.

18 14. States that to the extent the allegations in Paragraph 14 of the Amended Complaint
19 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
20 sufficient to form a belief as to the truth of the allegations in Paragraph 14 of the Amended
21 Complaint.

22 15. Denies knowledge or information sufficient to form a belief as to the truth of the
23 allegations in Paragraph 15 of the Amended Complaint.

24 16. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations in Paragraph 16 of the Amended Complaint.

26 17. Denies knowledge or information sufficient to form a belief as to the truth of the
27 allegations in Paragraph 17 of the Amended Complaint.
28

1 18. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 18 of the Amended Complaint.

3 19. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 19 of the Amended Complaint.

5 20. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations in Paragraph 20 of the Amended Complaint.

7 21. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 21 of the Amended Complaint.

9 22. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations in Paragraph 22 of the Amended Complaint.

11 23. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations in Paragraph 23 of the Amended Complaint.

13 24. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 24 of the Amended Complaint.

15 25. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 25 of the Amended Complaint.

17 26. States that to the extent the allegations in Paragraph 26 of the Amended Complaint
18 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
19 sufficient to form a belief as to the truth of the allegations in Paragraph 26 of the Amended
20 Complaint.

21 27. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 27 of the Amended Complaint.

23 28. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in Paragraph 28 of the Amended Complaint.

25 29. States that to the extent the allegations in Paragraph 29 of the Amended Complaint
26 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
27 sufficient to form a belief as to the truth of the allegations in Paragraph 29 of the Amended
28 Complaint.

1 30. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 30 of the Amended Complaint.

3 31. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 31 of the Amended Complaint.

5 32. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations in Paragraph 32 of the Amended Complaint.

7 33. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 33 of the Amended Complaint.

9 34. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations in Paragraph 34 of the Amended Complaint.

11 35. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations in Paragraph 35 of the Amended Complaint.

13 36. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 36 of the Amended Complaint.

15 37. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 37 of the Amended Complaint.

17 38. Denies the allegation concerning Dragonfly in the fourth sentence of Paragraph 38
18 of the Amended Complaint. Otherwise denies knowledge or information sufficient to form a belief
19 as to the truth of the allegations in Paragraph 38 of the Amended Complaint.

20 39. Denies knowledge or information sufficient to form a belief as to the truth of the
21 allegations in Paragraph 39 of the Amended Complaint.

22 40. Denies knowledge or information sufficient to form a belief as to the truth of the
23 allegations in Paragraph 40 of the Amended Complaint.

24 41. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations in Paragraph 41 of the Amended Complaint.

26 42. Denies knowledge or information sufficient to form a belief as to the truth of the
27 allegations in Paragraph 42 of the Amended Complaint.
28

1 43. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 43 of the Amended Complaint.

3 44. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 44 of the Amended Complaint.

5 45. In response to the allegations in Paragraph 45 of the Amended Complaint,
6 respectfully refers the Court to the statements therein for their true and correct contents, and
7 otherwise denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations.

9 46. In response to the allegations in Paragraph 46 of the Amended Complaint,
10 respectfully refers the Court to the statements referred to therein for their full and complete
11 contents, and otherwise denies the allegations.

12 47. In response to Paragraph 47 of the Amended Complaint, respectfully refers the
13 Court to the statements referred to therein for their full and complete contents, and otherwise denies
14 the allegations.

15 48. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 48 of the Amended Complaint.

17 49. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations in Paragraph 49 of the Amended Complaint.

19 50. Denies knowledge or information sufficient to form a belief as to the truth of the
20 allegations in Paragraph 50 of the Amended Complaint.

21 51. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 51 of the Amended Complaint.

23 52. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in Paragraph 52 of the Amended Complaint.

25 53. Denies knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 53 of the Amended Complaint.

27 54. Denies knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 54 of the Amended Complaint.

1 55. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 55 of the Amended Complaint.

3 56. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 56 of the Amended Complaint.

5 57. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations in Paragraph 57 of the Amended Complaint.

7 58. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 58 of the Amended Complaint.

9 59. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations in Paragraph 59 of the Amended Complaint.

11 60. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations in Paragraph 60 of the Amended Complaint.

13 61. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 61 of the Amended Complaint.

15 62. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 62 of the Amended Complaint.

17 63. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations in Paragraph 63 of the Amended Complaint.

19 64. Denies knowledge or information sufficient to form a belief as to the truth of the
20 allegations in Paragraph 64 of the Amended Complaint.

21 65. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 65 of the Amended Complaint.

23 66. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in Paragraph 66 of the Amended Complaint.

25 67. Denies knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 67 of the Amended Complaint.

27 68. Denies knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 68 of the Amended Complaint.

1 69. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 69 of the Amended Complaint.

3 70. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 70 of the Amended Complaint.

5 71. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations in Paragraph 71 of the Amended Complaint.

7 72. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 72 of the Amended Complaint.

9 73. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations in Paragraph 73 of the Amended Complaint.

11 74. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations in Paragraph 74 of the Amended Complaint.

13 75. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 75 of the Amended Complaint.

15 76. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 76 of the Amended Complaint.

17 77. Denies the allegations in Paragraph 77 of the Amended Complaint.

18 78. In response to Paragraph 78 of the Amended Complaint, respectfully refers the
19 Court to the statement and proposal referred to therein for their full and complete contents, and
20 otherwise denies the allegations.

21 79. In response to the first sentence of Paragraph 79 of the Amended Complaint,
22 respectfully refers the Court to the proposal that eventually passed and otherwise denies the
23 allegations. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in the second sentence of Paragraph 79 of the Amended Complaint. In response to the
25 third sentence of Paragraph 79 of the Amended Complaint, respectfully refers the Court to the
26 proposal that eventually passed and otherwise denies the allegations.

27 80. Denies knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 80 of the Amended Complaint.

1 81. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 81 of the Amended Complaint.

3 82. States that to the extent the allegations in Paragraph 82 of the Amended Complaint
4 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
5 sufficient to form a belief as to the truth of the allegations in Paragraph 82 of the Amended
6 Complaint.

7 83. States that to the extent the allegations in Paragraph 83 of the Amended Complaint
8 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

9 84. States that to the extent the allegations in Paragraph 84 of the Amended Complaint
10 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

11 85. States that to the extent the allegations in Paragraph 85 of the Amended Complaint
12 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

13 86. States that to the extent the allegations in Paragraph 86 of the Amended Complaint
14 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

15 87. States that to the extent the allegations in Paragraph 87 of the Amended Complaint
16 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

17 88. States that to the extent the allegations in Paragraph 88 of the Amended Complaint
18 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

19 89. States that to the extent the allegations in Paragraph 89 of the Amended Complaint
20 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

21 90. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations in Paragraph 90 of the Amended Complaint.

23 91. States that to the extent the allegations in Paragraph 91 of the Amended Complaint
24 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

25 92. States that to the extent the allegations in Paragraph 92 of the Amended Complaint
26 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
27 sufficient to form a belief as to the truth of the allegations.
28

1 93. States that to the extent the allegations in Paragraph 93 of the Amended Complaint
2 set forth a legal conclusion, no response is required. Otherwise denies the allegations in the first
3 sentence of Paragraph 93 of the Amended Complaint. Denies knowledge or information sufficient
4 to form a belief as to the truth of the allegations in the second sentence of Paragraph 93 of the
5 Amended Complaint.

6 94. States that to the extent the allegations in Paragraph 94 of the Amended Complaint
7 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

8 95. States that to the extent the allegations in Paragraph 95 of the Amended Complaint
9 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
10 sufficient to form a belief as to the truth of the allegations.

11 96. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations in Paragraph 96 of the Amended Complaint.

13 97. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 97 of the Amended Complaint.

15 98. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 98 of the Amended Complaint.

17 99. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations in Paragraph 99 of the Amended Complaint.

19 100. Denies knowledge or information sufficient to form a belief as to the truth of the
20 allegations in Paragraph 100 of the Amended Complaint.

21 101. States that the extent that the allegations in Paragraph 101 of the Amended
22 Complaint set forth a legal conclusion, no response is required. Otherwise, denies the allegations.

23 102. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in Paragraph 102 of the Amended Complaint.

25 103. Denies knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 103 of the Amended Complaint.

27 104. Denies knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 104 of the Amended Complaint.

1 105. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations in Paragraph 105 of the Amended Complaint.

3 106. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations in Paragraph 106 of the Amended Complaint.

5 107. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations in Paragraph 107 of the Amended Complaint.

7 108. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 108 of the Amended Complaint.

9 109. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations in Paragraph 109 of the Amended Complaint.

11 110. States that to the extent the allegations in Paragraph 110 of the Amended Complaint
12 set forth a legal conclusion, no response is required. Otherwise denies knowledge or information
13 sufficient to form a belief as to the truth of the allegations.

14 111. Denies knowledge or information sufficient to form a belief as to the truth of the
15 allegations in Paragraph 111 of the Amended Complaint.

16 112. States that to the extent the allegations in Paragraph 112 of the Amended Complaint
17 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

18 113. Denies knowledge or information sufficient to form a belief as to the truth of the
19 allegations in Paragraph 113 of the Amended Complaint.

20 114. Denies knowledge or information sufficient to form a belief as to the truth of the
21 allegations in Paragraph 114 of the Amended Complaint.

22 115. Denies the allegations in the first sentence of Paragraph 115 of the Amended
23 Complaint. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations in second sentence of Paragraph 115 of the Amended Complaint.

25 116. Denies knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 116 of the Amended Complaint.

27 117. States that to the extent the allegations in Paragraph 117 of the Amended Complaint
28 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

1 118. States that to the extent the allegations in Paragraph 118 of the Amended Complaint
2 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

3 119. States that to the extent the allegations in Paragraph 119 of the Amended Complaint
4 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

5 120. States that to the extent the allegations in Paragraph 120 of the Amended Complaint
6 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

7 121. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in Paragraph 121 of the Amended Complaint.

9 122. States that to the extent the allegations in Paragraph 122 of the Amended Complaint
10 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

11 123. States that to the extent the allegations in Paragraph 123 of the Amended Complaint
12 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

13 124. States that to the extent the allegations in Paragraph 124 of the Amended Complaint
14 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

15 125. States that to the extent the allegations in Paragraph 125 of the Amended Complaint
16 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

17 126. States that to the extent the allegations in Paragraph 126 of the Amended Complaint
18 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

19 127. States that to the extent the allegations in Paragraph 127 of the Amended Complaint
20 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

21 128. States that to the extent the allegations in Paragraph 128 of the Amended Complaint
22 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

23 129. States that to the extent the allegations in Paragraph 129 of the Amended Complaint
24 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

25 130. States that to the extent the allegations in Paragraph 130 of the Amended Complaint
26 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

27 131. States that to the extent the allegations in Paragraph 131 of the Amended Complaint
28 set forth a legal conclusion, no response is required. Otherwise denies the allegations.

132. Repeats and re-alleges the answers to Paragraphs 1-131 of the Amended Complaint.

133. States that to the extent the allegations in Paragraph 133 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

134. States that to the extent the allegations in Paragraph 134 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

135. States that to the extent the allegations in Paragraph 135 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

136. States that to the extent the allegations in Paragraph 136 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

137. States that to the extent the allegations in Paragraph 137 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

138. States that to the extent the allegations in Paragraph 138 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

139. States that to the extent the allegations in Paragraph 139 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

140. Denies knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 140 of the Amended Complaint.

141. States that to the extent the allegations in Paragraph 141 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

142. States that to the extent the allegations in Paragraph 142 of the Amended Complaint set forth a legal conclusion, no response is required. Otherwise denies the allegations.

FIRST AFFIRMATIVE DEFENSE

Plaintiff's claim is barred, in whole or in part, because the Amended Complaint fails to state a claim on which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff's claim is barred, in whole or in part, by the doctrine of *in pari delicto*.

THIRD AFFIRMATIVE DEFENSE

Plaintiff's claim is barred, in whole or in part, by the doctrine of unclean hands.

1 **FOURTH AFFIRMATIVE DEFENSE**

2 Plaintiff's claim is barred, in whole or in part, by Plaintiff's own actions or failure to act.

3 **FIFTH AFFIRMATIVE DEFENSE**

4 Plaintiff's claim is barred, in whole or in part, by the doctrine of equitable estoppel.

5 **SIXTH AFFIRMATIVE DEFENSE**

6 Plaintiff's claim is not well grounded in fact and is not warranted by existing law or by good
7 faith argument for the extension, modification, or reversal of existing law.

8 **SEVENTH AFFIRMATIVE DEFENSE**

9 Plaintiff's claim is barred, in whole or in part, because LDO is not a security under any
10 applicable securities laws.

11 **EIGHTH AFFIRMATIVE DEFENSE**

12 Plaintiff's claim is barred, in whole or in part, because Dragonfly is not a statutory seller of
13 securities.

14 **NINTH AFFIRMATIVE DEFENSE**

15 Plaintiff's claim is barred, in whole or in part, because the Lido DAO is not a partnership.

16 **TENTH AFFIRMATIVE DEFENSE**

17 Plaintiff's claim is barred, in whole or in part, because even if the Lido DAO were a
18 partnership, Dragonfly is not a partner, and Dragonfly cannot be held liable for the actions of Lido
19 DAO.

20 **ELEVENTH AFFIRMATIVE DEFENSE**

21 Plaintiff's claim is barred, in whole or in part, because Plaintiff has not suffered any
22 damages.

23 **TWELFTH AFFIRMATIVE DEFENSE**

24 Plaintiff's claim is barred because even if Plaintiff could demonstrate that he suffered any
25 damages, Plaintiff cannot demonstrate that either Dragonfly or the "Lido DAO" caused any of his
26 damages.

27 **THIRTEENTH AFFIRMATIVE DEFENSE**

28 Plaintiff's claim is barred, in whole or in part, because even assuming *arguendo* that LDO

1 is a security, LDO is exempt from the registration requirements of the Securities Act and/or the
2 regulations promulgated thereunder.

3 **FOURTEENTH AFFIRMATIVE DEFENSE**

4 Plaintiff's claim is barred, in whole or in part, because they cannot show that Dragonfly was
5 the cause of Plaintiff's alleged damages.

6 **FIFTEENTH AFFIRMATIVE DEFENSE**

7 Plaintiff's claim is barred, in whole or in part, because Plaintiff lacks standing.

8 **SIXTEENTH AFFIRMATIVE DEFENSE**

9 Plaintiff's claim is barred, in whole or in part, because Plaintiff has failed to name one or
10 more necessary parties in this litigation.

11 **SEVENTEENTH AFFIRMATIVE DEFENSE**

12 If Dragonfly is deemed jointly and severally liable for any of Plaintiff's damages, Plaintiff's
13 damages should be reduced in whole or offset by Plaintiff's own commensurate liability.

14 **EIGHTEENTH AFFIRMATIVE DEFENSE**

15 Plaintiff's claim is barred, in whole or in part, because Lido DAO did not violate Section
16 12 of the Securities Act.

17 **NINETEENTH AFFIRMATIVE DEFENSE**

18 Plaintiff's claim is barred, in whole or in part, because Dragonfly did not violate Section 12
19 of the Securities Act.

20 **TWENTIETH AFFIRMATIVE DEFENSE**

21 Plaintiff's claim is barred, in whole or in part, because Section 12 of the Securities Act only
22 applies to direct issuances of securities, not to secondary sales.

23 **TWENTY-FIRST AFFIRMATIVE DEFENSE**

24 Plaintiff's claim is time barred, in whole or in part, by the applicable statute of limitations
25 and repose.

26 **TWENTY-SECOND AFFIRMATIVE DEFENSE**

27 Plaintiff's claim is barred, in whole or in part, by the doctrine of laches.
28

1 **TWENTY-THIRD AFFIRMATIVE DEFENSE**

2 Plaintiff's claim is subject to arbitration.

3 **TWENTY-FOURTH AFFIRMATIVE DEFENSE**

4 Dragonfly reserves the right to assert and rely on additional defenses which become
5 available or apparent in this action.

6 **WHEREFORE**, Dragonfly respectfully prays that the Court dismiss the Amended
7 Complaint, grant judgment in favor of Dragonfly on all claims, and grant such other and further
8 relief as the Court deems just and proper.

9 **CONDITIONAL COUNTERCLAIMS**

10 Defendant and Counterclaim-Plaintiff Dragonfly Digital Management LLC ("Dragonfly")
11 for its Conditional Counterclaims (the "Conditional Counterclaims") against Plaintiff and
12 Counterclaim-Defendant Andrew Samuels ("Plaintiff"), hereby alleges as follows:

13 1. As alleged in Plaintiff's Amended Complaint dated April 3, 2024 (ECF No. 54, the
14 "Amended Complaint" or the "AC"), Plaintiff held LDO tokens. (AC ¶ 10).

15 2. Specifically, Plaintiff alleges he acquired approximately 132 LDO in April and May
16 2023 and sold his LDO in June 2023. (AC ¶ 10).

17 3. LDO is the governance token of the Lido Protocol.

18 4. Plaintiff, in his Amended Complaint, takes the position that the Lido DAO is a
19 general partnership, and that "Partner Defendants" (including Dragonfly) are general partners that
20 are jointly and severally liable for the Lido DAO's unregistered offer and sale of securities in
21 violation of Sections 5 and 12(a)(1) of the Securities Act of 1933. (AC ¶ 5).

22 5. Plaintiff alleges that by "purchas[ing] LDO," a person "thereby join[s] the Lido
23 DAO." (AC ¶ 74). Under this theory, every purchaser or holder of LDO would be a general partner
24 in the Lido DAO.

25 6. Without admitting any of the allegations in the Amended Complaint (except as noted
26 in Dragonfly's Answer above), if, and only if, it is judicially determined that a community of LDO
27 tokenholders is a legal partnership, then Plaintiff, as a LDO tokenholder, is also a partner in the
28 alleged partnership.

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1 partnership, and (iv) an adverse judgment is entered against Dragonfly in its capacity as a supposed
2 partner in the alleged partnership, then Dragonfly is entitled to equitable contribution or
3 indemnification from Plaintiff as another partner in the alleged partnership.

4 15. Dragonfly should not, and is not legally required to, bear the monetary responsibility
5 of an adverse judgment against the alleged partnership itself. Plaintiff is equally jointly and
6 severally liable for the obligations of the alleged partnership.

7 16. Accordingly, in the event that there is a judicial determination meeting the above
8 conditions, then Plaintiff is jointly and severally liable for any and all damages assessed against the
9 partnership. Dragonfly is entitled to equitable contribution or indemnification from Plaintiff for
10 his share of any adverse judgment entered against the alleged partnership.

11 **Second Conditional Counterclaim for Reimbursement Under the Partnership Act,**

12 **Cal. Corp. Code § 16100 *eq seq.***

13 (Against Plaintiff)

14 17. Dragonfly realleges and incorporates by reference all prior paragraphs as if fully
15 restated herein.

16 18. A party to a joint and several obligation who satisfies more than its share of a claim
17 against all is entitled to contribution or indemnification from all of the parties joined with it.

18 19. As alleged in the Amended Complaint, Plaintiff held approximately 132 LDO
19 tokens.

20 20. Plaintiff's theory in his Amended Complaint is that (i) a person joins the Lido DAO
21 by purchasing Lido and (ii) the so-called "Partner Defendants" are general partners in the Lido
22 DAO, and are jointly and severally liable for the Lido DAO's unregistered offer and sale of
23 securities in violation of Sections 5 and 12(a)(1) of the Securities Act of 1933.

24 21. However, under Plaintiff's theory, Plaintiff is also a general partner in the Lido DAO
25 because he purchased and held LDO tokens. Accordingly, if, under Plaintiff's theory, each and
26 every general partner in the Lido DAO is jointly and severally liable for the unregistered offer and
27 sale of securities, Plaintiff is also jointly and severally liable.

1 22. Dragonfly and the other so-called “Partner Defendants” are contesting that the so-
2 called Lido DAO is a general partnership. Yet, without admitting any of the allegations in the
3 Amended Complaint (except as noted in Dragonfly’s Answer above) and if, and only if: (i) a
4 community of LDO tokenholders is judicially determined to be a general partnership, (ii) Dragonfly
5 is determined to be a partner of that alleged partnership, (iii) an adverse judgment is entered against
6 that alleged partnership, and (iv) an adverse judgment is entered against Dragonfly in its capacity
7 as a supposed partner in the alleged partnership, then Plaintiff is jointly and severally liable to the
8 putative class for any unrecovered amounts of an adverse judgment entered against the Lido DAO.

9 23. In the event that there is a judicial determination meeting the above conditions, then
10 Dragonfly is entitled to reimbursement from Plaintiff as another partner of the alleged partnership,
11 who is jointly and severally liable for the adverse judgment against the partnership, and Dragonfly’s
12 actual legal fees and costs associated with the instant case.

13 **Third Conditional Counterclaim for Breach of Duty Under the Partnership Act,**

14 **Cal. Corp. Code § 16100 *et seq.***

15 (Against Plaintiff)

16 24. Dragonfly realleges and incorporates by reference all prior paragraphs as if fully
17 restated herein.

18 25. Under both the Partnership Act of 1994, Cal Corp. Code § 16100 *et seq.*, and
19 common law, a partnership owes to the partnership and its partners a duty of loyalty and a duty of
20 care.

21 26. As alleged in the Amended Complaint, Plaintiff held approximately 132 LDO
22 tokens.

23 27. Plaintiff’s theory in his Amended Complaint is that (i) a person joins the Lido DAO
24 by purchasing Lido and (ii) the so-called “Partner Defendants” are general partners in the Lido
25 DAO, and are jointly and severally liable for the Lido DAO’s unregistered offer and sale of
26 securities in violation of Sections 5 and 12(a)(1) of the Securities Act of 1933.

27 28. However, under Plaintiff’s theory, Plaintiff is also a general partner in the Lido DAO
28 because he purchased and held LDO tokens.

1 29. Dragonfly and the other so-called “Partner Defendants” are contesting that the so-
2 called Lido DAO is a general partnership. Yet, without admitting any of the allegations in the
3 Amended Complaint (except as noted in Dragonfly’s Answer above) and if, and only if: (i) a
4 community of LDO tokenholders is judicially determined to be a general partnership, (ii) Dragonfly
5 is determined to be a partner of that alleged partnership, and (iii) an adverse judgment is entered
6 against that alleged partnership, then Plaintiff breached his duties of loyalty and care for the reasons
7 alleged herein, including, but not limited to, permitting his purported partners and their purported
8 partnership to sell or offer for sale allegedly unregistered securities (to be clear, Dragonfly denies
9 that any so-called partnership or any so-called partners sold or offered to sell any unregistered
10 securities), despite believing and without disclosing or otherwise informing the “Lido DAO
11 partnership” or the general partners that such sales or offers for sale violate the federal securities
12 laws.

13 30. As a consequence of Plaintiff’s breach of duty, Dragonfly has been damaged in an
14 amount to be determined at trial.

15 **Fourth Conditional Counterclaim for Declaratory Judgment**

16 (Against Plaintiff)

17 31. Dragonfly realleges and incorporates by reference all prior paragraphs as if fully
18 restated herein.

19 32. As alleged in the Amended Complaint, Plaintiff held approximately 132 LDO
20 tokens.

21 33. Plaintiff’s theory in his Amended Complaint is that (i) a person joins the Lido DAO
22 by purchasing Lido and (ii) the so-called “Partner Defendants” are general partners in the Lido
23 DAO, and are jointly and severally liable for the Lido DAO’s unregistered offer and sale of
24 securities in violation of Sections 5 and 12(a)(1) of the Securities Act of 1933.

25 34. However, under Plaintiff’s theory, Plaintiff is also a general partner in the Lido DAO
26 because he purchased and held LDO tokens.

35. An actual, present, and justiciable controversy has arisen between the parties having adverse legal interests concerning whether Plaintiff is a general partner of the Lido DAO and is thus jointly and severally liable for any judgment issued against the Lido DAO.

36. Dragonfly and the other so-called “Partner Defendants” are contesting that the Lido DAO is a general partnership. Yet, without admitting any of the allegations in the Amended Complaint (except as noted in Dragonfly’s Answer above) and if, and only if: (i) a community of LDO tokenholders is judicially determined to be a general partnership, (ii) Dragonfly is determined to be a partner of that alleged partnership, (iii) an adverse judgment is entered against that alleged partnership, and (iv) an adverse judgment is entered against Dragonfly in its capacity as a supposed partner in the alleged partnership, then Dragonfly is entitled to a declaration that Plaintiff is a general partner of such general partnership and is jointly and severally liable for any judgment issued against that partnership.

Prayer for Relief

Dragonfly, without admitting any of the allegations in the Amended Complaint and if, and only if, (i) a community of LDO tokenholders is judicially determined to be a general partnership, (ii) Dragonfly is determined to be a partner of that alleged partnership, (iii) an adverse judgment is entered against that alleged partnership, and (iv) an adverse judgment is entered against Dragonfly in its capacity as a supposed partner in the alleged partnership, respectfully requests that the Court enter judgment on its behalf against Plaintiff as follows:

1. Awarding Dragonfly damages in an amount to be determined at trial;
2. Awarding Dragonfly reasonable attorneys' fees, costs, and expenses;
3. Awarding Dragonfly prejudgment and post judgment interest;
4. Declaring that Plaintiff is a general partner of the general partnership alleged by Plaintiff and is jointly and severally liable for any judgment issued against that partnership; and
5. Granting such other and further relief as the Court deems just and proper.

1 December 18, 2024

2 MORRISON COHEN LLP

3 /s/ Jason Gottlieb

4 Jason Gottlieb (Admitted *pro hac vice*)

5 Michael Mix (Admitted *pro hac vice*)

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